

Top Secret

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NATIONAL INTELLIGENCE DAILY CABLE

Monday 15 May 1978

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NATIONAL SECURITY INFORMATION

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DIA review(s)

State Dept. review

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ZAIRE: New Katangan Attacks

//Katangan rebels launched new attacks in Zaire's Shaba Province over the weekend in what may be a new attempt to wrest the region from the government. The Zairians reported yesterday that rebels controlled most of the mining center of Kolwezi and were attacking Dilolo and Mutshatsha. Government forces are offering some resistance and the Zairians are flying reinforcements from the Kinshasa area. The Zairian Government has appealed to the US, France, Morocco, and other friendly powers for support. We cannot confirm Zairian allegations that Cubans or other "whites" are in the rebel force.//

Reports from the Kolwezi area, derived mostly from the Zairian military and western mining company officials, indicate that a large group of Katangans--reportedly some 1,700 strong--attacked Kolwezi Saturday morningg. They apparently captured most of the town as well as the airfield, where they destroyed several Zairian Air Force aircraft. We have no clear estimate of the size of the total Katangan invasion force.

//A counterattack by government troops retook one command post and a hospital in Kolwezi but the Shaba region military headquarters apparently is surrounded and running short of supplies. Other Zairian units were reported to be regrouping northwest of the town for a counterattack, and Zairian Mirage fighters have been flying sorties over the area.//

The Zairian Acting Foreign Minister said yesterday that the Katangans had begun urban guerrilla warfare in Kolwezi and that in view of the large civilian population--including Europeans and Americans--it would be difficult for the Zairian forces to combat the rebels. At least 75 Americans are in the immediate area of Kolwezi; there are no reports of casualties among them.

a small group of Katangans, including "white troops," entered the town yesterday morning, and that another small group was on its way west to the border town of Dilolo. The Acting Foreign Minister, in a meeting to brief US Ambassador Cutler and representatives of other friendly countries and to solicit their support, repeated the allegations of "white faces" with the Katangans.//

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[redacted] //He said that the rebels had also crossed from Angola near Kasaji and that there was a troop concentration with heavy weapons at Dilolo. The Minister said that some of the monitored radio conversations between Katangan forces in Angola and Zaire were in Spanish--indicating that Cubans were operating on both sides of the border. We cannot confirm that Cubans or other "whites" are with the rebels.//

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[redacted] //Thus far the Zairian military appears to be offering more resistance than it did in the early stages of the Katangan incursion last year. It is unclear, however, whether the Zairians will be able to undertake a counteroffensive rapidly enough and with sufficient forces to drive the Katangans from Kolwezi.//

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[redacted] //The government is reinforcing its troops in Lubumbashi with units from the Kinshasa area, some 1,500 kilometers northwest, to form a task force to liberate Kolwezi.//

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[redacted] In a briefing Saturday for the US and other Ambassadors in Kinshasa, President Mobutu charged that the rebels had launched their attack from Angola via Zambia. He added that he had sent Zairian emissaries to Lusaka on earlier occasions to inform Zambian President Kaunda of the rebel movements but Kaunda had taken no action.

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[redacted] Mobutu alleged that the rebels had obtained Cuban, Algerian, Soviet, and Angolan support and said that his government had asked the Soviets--and through them the Angolans--to get the rebels to withdraw. At this briefing it was apparent to Ambassador Cutler that Mobutu did not have an accurate grasp of the seriousness of the situation in Kolwezi. Mobutu is now apparently aware that the situation worsened in the ensuing 24 hours.

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[redacted] At yesterday's meeting called on Mobutu's orders, the Acting Foreign Minister asked the representatives of the US, France, Belgium, Morocco, and China for their governments' support and assistance. In addition to these yet undefined requests for assistance, the Zairian Government intends to consult again with President Kaunda concerning the alleged rebel use of Zambian territory.

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[redacted] Zaire also intends to apprise the Organization of African Unity and the UN of the situation and request the Congolese Government to use its influence to get the Katangans to withdraw. Zairian officials are probably hoping that their allegations of direct Soviet and Cuban involvement and the presence of Americans in the embattled region will induce the US to support Zairian efforts to repulse the invaders. [redacted]

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National Intelligence Daily Cable for Monday, 15 May 1978

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The NID Cable is for the purpose of informing senior US officials.

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ISRAEL: Interview with Chief of Staff

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[] Israel's new Chief of Staff, Rafael Eitan, has stirred up a public controversy by asserting in a television interview on Thursday that the Arabs are still bent on destroying Israel and that Israel must retain both the West Bank and the Golan Heights. The US Embassy in Tel Aviv does not believe Eitan's remarks signal a hardening in the Israeli negotiating position, but that he was restating--in more forceful terms--the government's stand. Eitan's views reflect the deep-seated suspicions of the Egyptians and other Arabs still widely held within the government and among the general public.

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[] Israeli doves in the opposition Labor Party as well as in the Democratic Movement for Change, one of the governing coalition parties, have predictably denounced Eitan for exceeding his authority in discussing political questions and possibly harming the negotiating process. Even the moderately conservative *Jerusalem Post* has taken Eitan sharply to task for challenging civilian authority and laying down the "terms on which the armed forces" would defend the country.

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[] Although somewhat embarrassed by Eitan's bluntness, Defense Minister Weizman and Finance Minister Ehrlich have come to his defense, presumably in part to avoid further antagonizing hard-liners in their own parties. Eitan's views have struck a responsive cord among many within the ruling coalition who regard the opposition's criticism as hypocritical and purely political.

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[] Because the Chief of Staff has an excellent reputation with the Israeli public, the government probably hopes to use him to counter former Chiefs of Staff Rabin and Bar-Lev in the Labor Party, who have been critical lately of the government's military competence.

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[] Eitan's comments have put Deputy Prime Minister Yadin and other cabinet ministers from the Democratic Movement for Change in a particularly awkward position. Dissenters in the party have accused Yadin of deviating from party principles in endorsing the government's more hard-line peace proposals. To deflect some of this criticism, Yadin announced that he would raise the interview at yesterday's cabinet meeting. He probably made only a pro forma complaint in an effort to mollify the dissenters.

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USSR-MEXICO: Portillo to Visit

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[] //Mexican President Jose Lopez Portillo will arrive in Moscow on Wednesday for a one-week visit designed to strengthen bilateral relations and illustrate Mexico's independence of the US. Mexico is interested in expanding economic ties with the Soviets, and particularly in acquiring Soviet oilfield technology.//

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[] //The director general of the state oil company, Pemex, is scheduled to accompany Lopez Portillo on a visit to Baku, an important Soviet energy center. Further discussions may be held on a possible quadrilateral arrangement involving Spain, Cuba, Mexico, and the USSR. Under this arrangement the USSR would supply oil to Spain, which would pay Mexico; Mexico in turn would supply a comparable amount of crude to Cuba on the Soviet account.//

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[] The delegation is also scheduled to visit Novosibirsk to meet with Soviet scientists who are directing oil explorations in Siberia. The Mexicans may sign a scientific and technical exchange agreement there. Mexico is particularly interested in Soviet technology for secondary recovery of petroleum.

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[] Lopez Portillo believes the Soviets will accept a long-term agreement for the purchase of Mexican coffee. He wants Moscow to pay a "commercial price" to maintain its large diplomatic presence in Mexico. The Soviets may try to bargain for an even larger diplomatic presence, including five additional consulates in Mexico.//

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[] Lopez Portillo is scheduled to meet with President Brezhnev, who may use the occasion to sign Protocol II of the Tlatelolco Treaty. Mexico has been the chief promoter of the treaty, which establishes a nuclear weapons - free zone in Latin America. Soviet signature at this time, on the eve of the UN Special Session on Disarmament, would cast Moscow in the best light. []

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MBFR: Talks Resume this Week

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[] //The Mutual and Balanced Force Reductions talks resume this week in Vienna after a month-long recess. The Warsaw

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Pact is likely to respond soon to the NATO proposal--offered just before the recess--that provided assurances to the East on the timing and size of Western reductions and no longer demanded that the USSR make its withdrawal in the form of a tank army in the initial phase of reductions.//

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[] //Warsaw Pact delegates said that the Western initiative would receive "careful study," and a ranking official of the Soviet Embassy in Rome termed it a "noticeable step forward."//

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[] //The Warsaw Pact will handle its response and further discussions on manpower data with an eye to the opening of the UN General Assembly's Special Session on Disarmament on 23 May. At the UN the East will want to demonstrate that it is seeking progress in the MBFR talks.//

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[] //Meanwhile, representatives to NATO in Brussels are disagreeing somewhat as they attempt to develop a Western position on associated measures--steps to be taken in verifying an MBFR agreement and stabilizing measures. West Germany is keenly sensitive to the political implications of certain proposed measures, such as Eastern mobile and aerial observations of West German territory, and is demanding that associated measures be reviewed at the political level before they are remanded to NATO's MBFR working group for technical study.

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EGYPT: Referendum Next Sunday

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[] In an attempt to silence his opponents, Egyptian President Sadat has called for a referendum next Sunday that could restrict their participation in the public sector.

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[] Egyptian voters will be asked whether all those who "call for principles contravening the teaching of religions"--an obvious reference to the Communists--should be barred from key posts in the government, the press, and the unions. The electorate will be asked to ban those leftists who opposed Sadat after the death of former President Nasir and those who took part in politics before the 1952 revolution, a stipulation aimed at the reemergent Wafd party.

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[REDACTED]

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[REDACTED] Sadat castigated the political opposition, the media, the people's assembly, and other critics. He condemned the left for retaining its clandestine style and branded the Wafd membership as reactionary.

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[REDACTED] Sadat's attempt to silence his critics testifies to their effectiveness. The opposition has taken advantage of Sadat's much vaunted democratization program. His government is increasingly vulnerable because of a shaky economy and a faltering peace initiative.

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[REDACTED] The carefully constructed referendum is intended to provide a veneer of democracy, from which Sadat will argue that his liberalization process remains intact. Sadat's critics will probably escalate their attacks to ensure that he cannot both muzzle them and maintain democratic pretenses. [REDACTED]

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[REDACTED]

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[REDACTED]

[REDACTED]

FRANCE - WEST AFRICA: Military

//The Mauriticians are reorganizing their army for more effective use against the Polisario Front guerrillas, The Moroccans, meanwhile, continue to strengthen their forces in Mauritania and are now almost totally responsible for the protection of the Zouerat-Nouadhibou railroad there. French aircraft have made no further strikes since early this month, when Jaguars attacked a Polisario column for two consecutive days and inflicted heavy damage. The French may resume frequent air attacks against the guerrillas.//

//Under the new Mauritanian organization, tactical units and squadrons will be formed within existing battalions and regiments. The smaller units will be highly mobile, suitably armed to engage the insurgents, and capable of independent but coordinated action.//

The new structure is similar to the one developed by Moroccan forces in the south last year; the Moroccans determined then that regimental-sized units were too cumbersome to fight a guerrilla war in the desert.//

//The Mauriticians have reorganized their armed forces several times since the war against the Polisario began in late 1975. Prior to the war, Mauritanian military and paramilitary forces numbered less than 2,000 men; there are now about 15,000 and that number is likely to increase. This rapid expansion has resulted in a relatively inexperienced force, and the lack of a seasoned officer corps has been keenly felt at the tactical level. A French training mission arrived in Mauritania last year to help correct this problem.//

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[REDACTED] //The Moroccans have committed over 8,000 combat personnel to the defense of Mauritania and the Mauritanian-claimed part of Western Sahara. Most of these troops are based in the north and have assumed almost total responsibility for the protection of the Zouerat-Nouadhibou railroad. The Moroccans are building strongpoints for their troops and conducting patrols along the rail line. The Moroccan presence is designed to free Mauritani-
 ans for more aggressive actions against the Polisario.//

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[REDACTED] //The French resumed their aerial strikes against the Polisario last week after an apparent five-month hiatus. Officials in Paris admit to only one strike inside Mauritania, on 3 May. The French, however, made a second attack on 4 May in the Mauritanian-claimed part of Western Sahara at Oulm Dreiga. They destroyed 12 vehicles and wounded or killed an estimated 30 to 40 guerrillas. One of the attacking aircraft was damaged but landed safely at Nouadhibou.//

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[REDACTED] //These attacks may presage the resumption of frequent French air strikes against the Polisario. [REDACTED]

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[REDACTED] The commander of French forces in Mauritania, General Maffre, visited the Moroccan command for Western Sahara in El Aaiun, and a decision was made to place a permanent French liaison group with the command. This may lay the basis for future coordinated actions such as the airstrikes last week. [REDACTED]

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GHANA-TOGO: Support for Ghanaian

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[REDACTED] //Togolese President Eyadema has given political asylum and some financial backing to a leading opponent of Ghanaian leader Acheampong. Longstanding frictions between the two countries are likely to be exacerbated.//

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[REDACTED] //Former General Afrifa, a popular figure who led the campaign against Acheampong's proposed "union government," joined a number of other Ghanaian political refugees in Togo last month. [REDACTED]

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25X1 [redacted] //Afrifa played a key role in the overthrow of leftist President Nkrumah in 1966 and was a leader of the military regime that handed power back to civilians in 1969. He opposes union government as a scheme to perpetuate Acheampong's military rule and favors a return to purely civilian government.//

25X1 [redacted] Eyadema probably is helping Afrifa because he suspects Acheampong was party to an alleged mercenary plot to overthrow him that the Togolese say they uncovered last fall. He no doubt still fears that Acheampong may be supporting his enemies.

25X1 [redacted] Acheampong has long been irritated because Eyadema has supported Togo's Ewe tribesmen, who have nursed irredentist claims against Ghana's Volta region for over 20 years and have campaigned for reunification with their fellow tribesmen in Ghana. He mistrusts Ghana's Ewes, who comprise one-third of the Army and who have figured prominently in several plots uncovered in recent years. Acheampong also faults Eyadema for doing little to stem extensive cross-border smuggling that benefits Togo at the expense of Ghana's hard-pressed economy.

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MEXICO: Possible Gas Sale to US

25X1 [redacted] //Mexico is still interested in selling about 2 billion cubic feet per day of natural gas to the US at \$2.60 per thousand cubic feet. In the last few months, several Mexican officials have suggested long-term supply contracts involving food and feedgrain sales to Mexico and oil and gas sales to the US.//

25X1 [redacted] //The Mexican Government continues to insist that it has an alternative use for the gas if it is not sold to the US. President Lopez Portillo told Ambassador Lucey that he had decided to go ahead with plans to have domestic consumers use natural gas instead of fuel oil. Mexico would then export fuel oil. We believe, however, that the Mexican Government still hopes to reach a settlement with the US before it forces domestic industries to convert to gas.//

25X1 [redacted] //By 1982, Mexico could use the natural gas intended for sale to the US. About 1.4 billion cubic feet per

day could be used instead of additional fuel oil for expanded industry and electric power generation. An additional 750 million cubic feet per day could be used by converting existing oil-fired power plants. Other less attractive options are reinjection of gas into oil and gas fields and sealing off gas fields not associated with oil production.//

//If Mexico were to export to the US the amount of natural gas at the price it has quoted, its foreign exchange earnings would total about \$1.9 billion annually. In contrast, if Mexico exported about 330,000 barrels per day of mostly residual fuel oil--the energy equivalent of 2 billion cubic feet per day of natural gas--and if oil prices rose 6 percent annually during the years 1979 to 1982, annual export earnings would amount to roughly \$1.5 billion. Mexico also would incur substantial investment costs for conversion.

MEXICO-FRANCE: Aircraft Offer

//Mexico is likely to buy French Mirages or Alpha Jets despite their high cost, according to the US defense attache in Mexico City. The Mexican Government apparently foresees little chance of buying US fighters or planes with major US components--such as the Israeli Kfir.//

//The French have sought to sell jet aircraft to Mexico for the past six months; they proposed a mix of Mirages (probably the F-1) and Alpha Jets to provide both a supersonic air-to-air and a close ground support capability. The Mexican purchase will probably cost over \$300 million.//

Mexico has since looked at the US F-5, the Israeli Kfir, and several French models.//

//Last December, Mexico requested 26 F-5 fighters from the US. When it recently became apparent that political complications in both countries would jeopardize the sale, Mexico withdrew its request for the F-5s. It also considered buying 10 to 12 Israeli Kfir fighters.//

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[] //The French F-1 is more expensive than the Kfir. France sold F-1s to Ecuador last November for \$10 million apiece. The French probably would sell the Alpha Jet for \$4.5 million to \$5 million each, a price slightly higher than that of the US F-5.//

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[] //The Mexican national defense budget has increased this year, but it is nowhere near sufficient to cover a large aircraft purchase. Mexico will have to extend payments over several years and significantly increase its future defense budgets to make such a large aircraft purchase. []

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COMMON FUND: Efforts to Isolate US

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[] //The developing countries are continuing their deliberations over how further to isolate the US in the Common Fund negotiations of the UN Conference on Trade and Development. Negotiations aimed at establishing the Fund, which is intended to help stabilize the prices of some raw materials, broke off in December. The Fund is one of the key parts of the developing countries' demand for a "new international economic order." The developing countries believe that they can cause the US to change its opposition to use of a "second window" for the Fund that would finance certain commodity development schemes. Developing country officials in Geneva think that US policy is limited by strict Congressional restraints and hope that pressure will be put on Congress to review the US position.//

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[] //The majority of the industrialized countries--but not the US--are now willing to consider a compromise involving use of the Fund to finance certain kinds of development projects, if contributions to the fund are voluntary and the scope of the development projects is carefully limited. Even the West Germans, who have been the most steadfast in sharing the US view opposing the "second window," are said to be reconsidering their position.//

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[] //In hopes of isolating the US, the members of the developing countries' organization, the Group of 77, have been encouraging the view among the industrialized states that the developing countries would accept a compromise along these

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lines. [redacted] the developing countries' negotiating group really intends to call for mandatory contributions to a "second window" and a 25-percent share of the entire Common Fund for development projects, terms that would go far beyond what most industrialized countries would accept. The developing countries recognize that publicly expressing such an inflexible position would immediately lose the support of many of the industrialized countries.//

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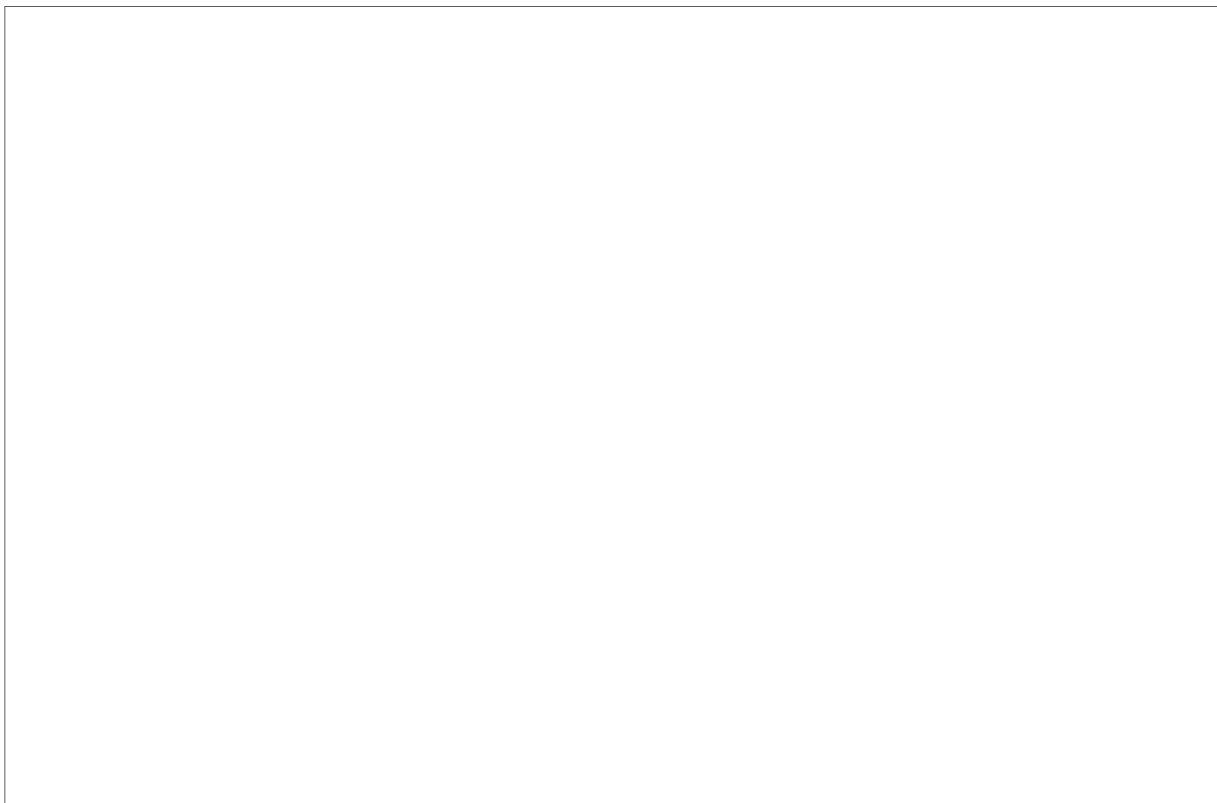
[redacted] //Members of the negotiating group agreed last week to call for a paper to review progress toward establishment of the Common Fund and to hold a 10-day UNCTAD conference to discuss financing, voting, and use of the fund. The group did not review details of a strategy to divide the US and West Germany at its meeting, but the developing countries' efforts to press West Germany into abandoning support for the US view will probably increase as the July EC summit approaches. [redacted]

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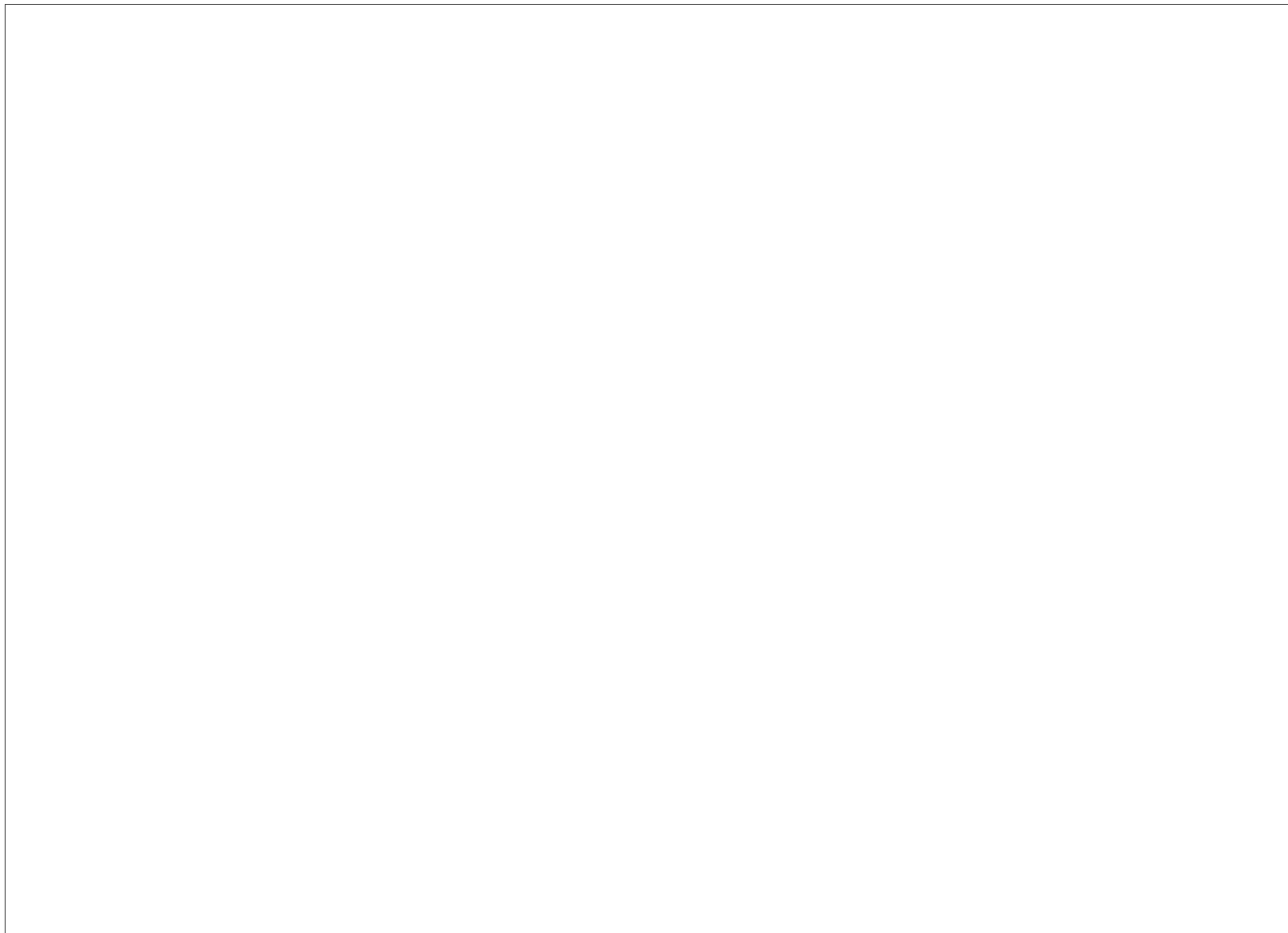
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BRIEFS

Rhodesia

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 Bishop Muzorewa's United African National Council has decided to remain in the Rhodesian interim government. The party had debated for the last three weeks whether to withdraw from the government over the firing of the black co-minister of justice the party had appointed to the country's biracial ministerial council.

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 After a reported eight hours of heated debate yesterday, a UANC spokesman announced that withdrawal would be against the interests of the country and cause the transition government



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25X1 [redacted]

to collapse. Older party leaders apparently argued that Muzorewa's enemies were using the issue to provoke the UANC to withdraw, which would leave it isolated and powerless.

25X1 [redacted] In order to demonstrate the UANC's anger over the firing, however, party leaders decided that Muzorewa will not appear at public meetings designed to promote the internal settlement. 25X1 [redacted]

Comoros

25X1 [redacted] According to press reports, President Ali Soilih, the socialist leader of the Republic of the Comoros, was overthrown Friday in a bloodless coup. Details are sketchy, but apparently Said Attoumani -a minister in the regime Soilih deposed in a 1975 coup--led the revolt with a group calling itself the "military directorate." Soilih is reported to be under house arrest and the capital of Moroni is described as calm.

25X1 [redacted] It is unclear what motivations and ideological sympathies the coup plotters have. Comorans, however, had grown progressively disillusioned with Soilih's inability to carry through on promises of social change or to cope with the islands' near-desperate economic situation and with his chronic abuses of human rights. 25X1 [redacted]

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